Idaho Economy Report

American Indian & Alaska Natives Buying Power 2012

"2012 Saw Growth in Buying Power Lag the Rest of the State for the First Time in Over a Decade."

"Share of Statewide Buying Power Still Well Short of Population Percentage."

IDAHO DEPT. OF LABOR

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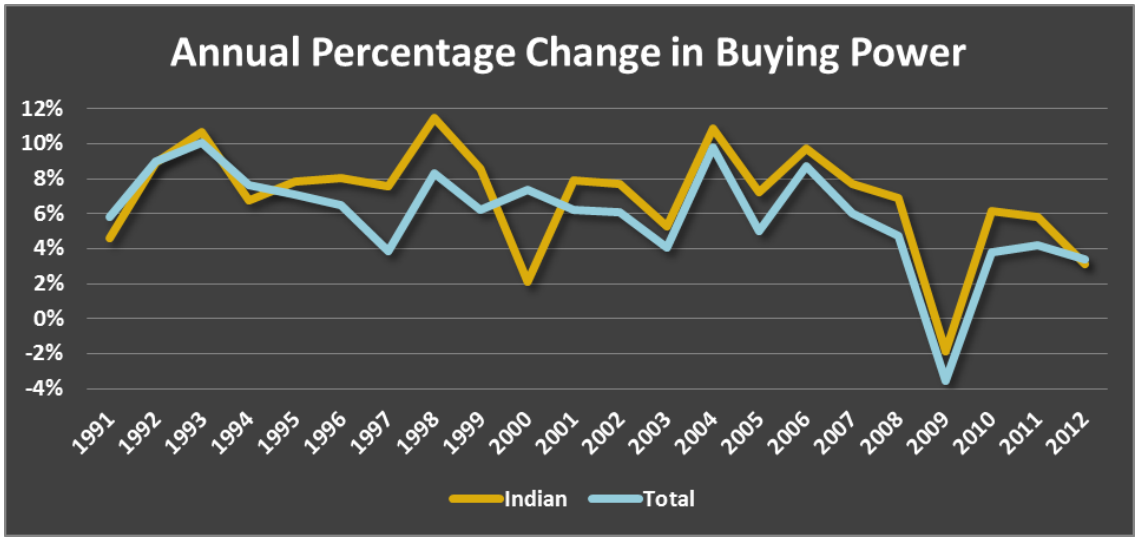
Indian Gains in Buying Power Slipped in 2012 in Idaho

American Indians and Alaska Natives have made slow but steady economic gains over the past two decades in Idaho, but their buying power remains a fraction of the state total.

Estimates developed by the Selig Center for Economic Growth at the University of Georgia showed the buying power of American Indians and Alaska Natives rose 3.1 percent from 2011 to 2012. Only 11 states posted smaller gains. South Dakota saw American Indian and Alaska Native buying power decline a half percent.

2012 was also the first time since 2000 that the annual growth in buying power of American Indians and Alaska Natives fell below the total state growth, which was 3.4 percent.



Nationally buying power of American Indians and Alaska Natives rose 4.2 percent, a full percentage point more than the buying power for all people.

Buying power is the after-tax personal income people have to spend on virtually everything from necessities like food, clothing and housing to luxuries like recreation equipment and vacations. It does not include money that has been borrowed or that is saved from previous years.

American Indians and Alaska Natives accounted for 1.7 percent of the state population at just under 27,000, according to the Selig estimates, but their buying power at $518 million was just 1.1 percent of the state total of more than $49 billion in 2012.

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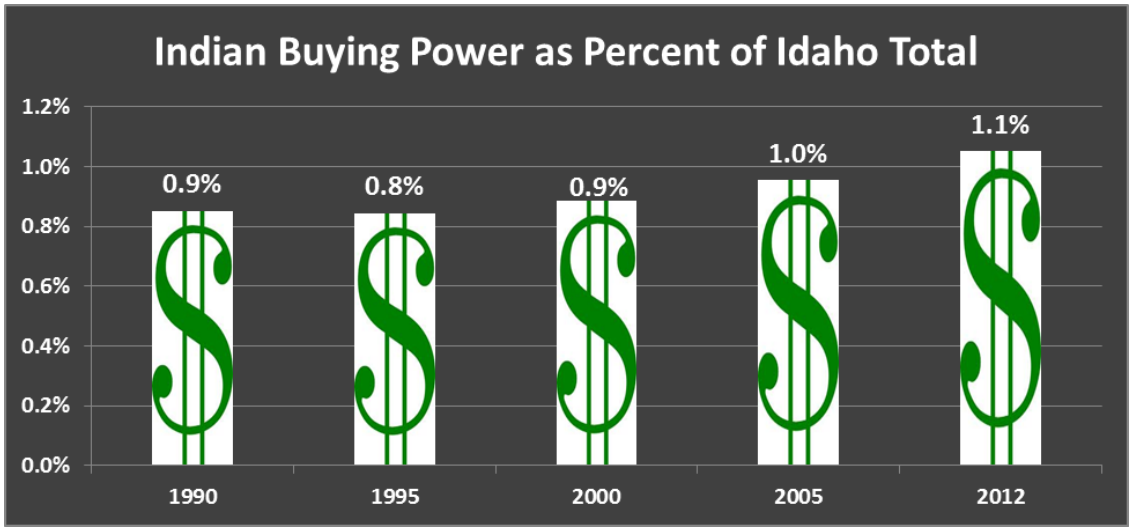

But 2012 was one of only five years since statistics were developed beginning in 1990 that Indian buying power in Idaho grew more slowly than overall buying power. Since 1990, Indian buying power has more than quadrupled while total buying power has risen about three and a half times.

Over the same time, Idaho's Indian population has increased nearly 85 percent while total population rose just under 60 percent.

The faster gains in buying power over population indicate real economic growth for Idaho's Indian population. But while per capita buying power has more than doubled to $19,300 from 1990 to 2012, American Indians and Alaska Natives still have per capita buying power that is just 63.1 percent of per capita buying power for the entire state. Indian per capita buying power also ranked 43rd among the state's and the District of Columbia.

But compared to the other states, total Indian buying power in Idaho has more than doubled since 2000 to rank 30th in growth.

American Indian & Alaska Natives Buying Power

2012 American Indian and Alaska Native Buying Power

	Total Indian Buying Power	% Chg From 2011	% of State	Per Capita	Rank
Alabama	$860,036,339	3.2%	0.5%	$25,448	20
Alaska	$2,556,837,016	2.7%	8.3%	$23,708	33
Arizona	$5,458,216,856	2.6%	2.5%	$15,920	51
Arkansas	$695,825,319	4.0%	0.7%	$24,846	25
California	$17,546,904,466	5.0%	1.2%	$27,055	13
Colorado	$1,865,353,635	4.2%	0.9%	$22,684	35
Connecticut	$506,625,405	3.2%	0.3%	$29,099	7
DC	$203,196,181	3.8%	0.5%	$58,491	1
Delaware	$150,682,092	3.6%	0.4%	$24,159	30
Florida	$2,668,332,093	3.4%	0.4%	$28,103	10
Georgia	$1,288,374,202	5.0%	0.4%	$24,961	24
Hawaii	$246,486,985	4.0%	0.4%	$41,716	2
Idaho	**$517,985,308**	**3.1%**	**1.1%**	**$19,301**	**43**
Illinois	$2,083,695,853	3.9%	0.4%	$26,930	14
Indiana	$640,578,894	4.6%	0.3%	$25,274	21
Iowa	$279,555,382	3.9%	0.2%	$19,609	42
Kansas	$820,441,088	3.1%	0.8%	$24,041	31
Kentucky	$311,696,692	3.9%	0.2%	$24,520	28
Louisiana	$971,193,901	3.6%	0.6%	$28,590	8
Maine	$190,931,390	3.9%	0.4%	$21,353	39
Maryland	$1,089,355,632	5.0%	0.4%	$33,768	4
Massachusetts	$866,543,032	5.2%	0.3%	$27,818	12
Michigan	$1,698,068,039	3.8%	0.5%	$24,529	27
Minnesota	$1,354,092,863	4.5%	0.6%	$19,642	41
Mississippi	$389,224,307	4.6%	0.4%	$22,253	36
Missouri	$917,282,384	2.8%	0.4%	$29,121	6
Montana	$1,105,803,589	3.9%	3.3%	$17,174	48
Nebraska	$416,581,368	3.1%	0.6%	$17,163	49
Nevada	$1,065,136,059	1.5%	1.1%	$23,703	34
New Hampshire	$129,183,845	2.7%	0.2%	$35,019	3
New Jersey	$1,292,639,924	5.5%	0.3%	$24,557	26
New Mexico	$3,687,339,610	2.7%	5.5%	$17,401	47
New York	$4,923,231,841	4.9%	0.6%	$25,941	18
North Carolina	$2,921,279,566	3.7%	0.9%	$19,245	44
North Dakota	$821,505,779	12.3%	2.5%	$21,737	37
Ohio	$812,172,199	4.1%	0.2%	$26,663	15
Oklahoma	$8,265,602,759	4.2%	6.1%	$24,248	29
Oregon	$1,379,205,461	4.6%	1.0%	$19,863	40
Pennsylvania	$988,702,680	5.9%	0.2%	$23,754	32
Rhode Island	$165,038,906	4.4%	0.4%	$17,572	46
South Carolina	$638,691,139	4.7%	0.4%	$25,018	23
South Dakota	$1,174,909,482	-0.5%	3.5%	$15,930	50
Tennessee	$725,080,886	4.8%	0.3%	$26,477	16
Texas	$7,677,160,927	5.5%	0.8%	$28,429	9
Utah	$794,380,026	3.7%	0.9%	$18,629	45
Vermont	$76,025,727	2.8%	0.3%	$32,159	5
Virginia	$1,218,696,667	4.5%	0.4%	$27,905	11
Washington	$3,167,595,495	4.2%	1.1%	$25,114	22
West Virginia	$105,151,663	3.1%	0.2%	$25,646	19
Wisconsin	$1,328,853,003	3.2%	0.6%	$21,545	38
Wyoming	$392,656,184	2.7%	1.6%	$26,311	17
United States	**$91,450,140,144**	**4.2%**	**0.8%**	**$23,617**	

Source: Selig Center for Economic Growth, University of Georgia

Methodology

The Selig Center for Economic Growth at the University of Georgia calculated buying power for various races and ethnicities including American Indians and Alaska Natives for the nation and each of the 50 states. These estimates were calculated using national and regional economic models, univariate forecasting techniques and data from various federal government sources. The model developed by the Selig Center integrates statistical methods used in regional economics with those of market research. In general, the process has two parts: estimating disposable personal income and allocating that estimate by race or ethnicity based on both population estimates and variances in per capita income. The estimates of disposable personal income, or the total buying power of all groups regardless of race or ethnicity, for 1990, 2000 and 2010 equal disposable personal income as reported in the National Income and Product Accounts tables by the U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System in September 2011. Based on that data, the Selig Center prepared estimates of total buying power for 2011 and 2012 as well as projections for 2013 through 2018.

Buying power is not the equivalent of aggregate money income as defined by the Census Bureau. Because the Selig Center's estimates are based on disposable personal income data obtained from the Commerce Department rather than money income values issued by the Census Bureau, the result is significantly higher estimates of buying power. The difference primarily results from the fact that the Census Bureau data are gathered through a nationwide survey sample of households and respondents tend to underreport their incomes. It should also be emphasized that the Selig Center's estimates are not equivalent to aggregate consumer expenditures as reported in the Consumer Expenditure Survey that is conducted each year by the U.S. Bureau of Labor Statistics.

The Selig Center's estimates of total buying power were allocated to each racial group and Hispanics based on Census Bureau population estimates and variances in per capita personal income by race or ethnicity. A relative income adjustment factor was estimated for each group for each geographic area to compensate for the variation in per capita personal income and disposable income that is accounted for by race or ethnicity. These factors were calculated using Census Bureau summary file data on income by race and Hispanic origin from the 2000 census and per capita money income data by race for local areas from the 1990 Census of Population and Housing, augmented for more recent years by data from the 2007-2009 American Community Survey.

The absence of current detailed data at the state and sub-state level clearly makes the buying power estimates and projections for all of the racial or ethnic groups less precise, increasing their statistical error.

The absence of reliable income data at the county level for American Indian and Alaska Natives made it impossible to provide buying power data at the county level in Idaho.